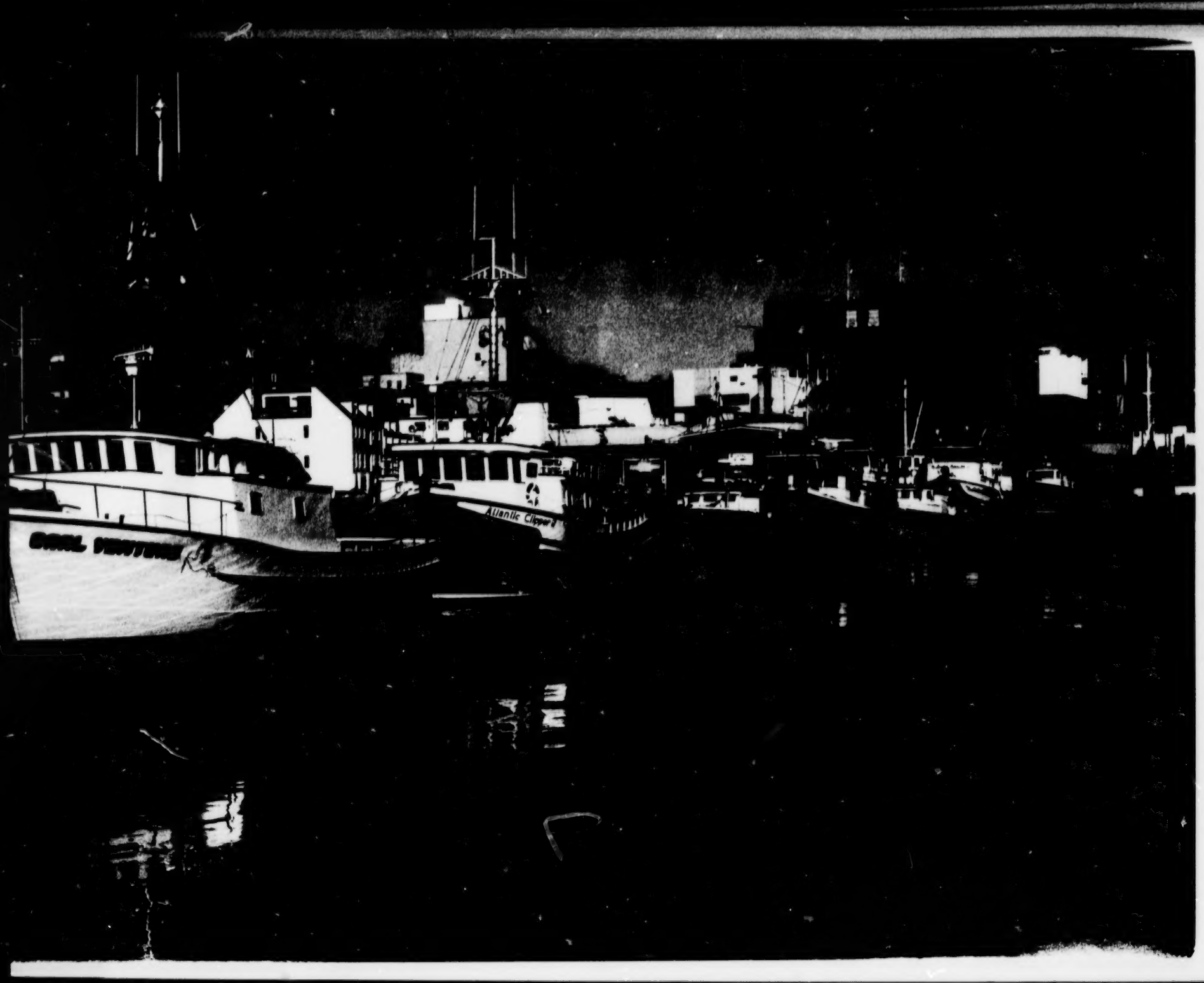
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WORKERS' COMPENSATION BOARD

OF

NEWFOUNDLAND AND LABRADOR

ANNUAL REPORT 1983

BOARD MEMBERS
ED MAYNARD — CHAIRMAN
A. G. ROSE — COMMISSIONER
G. F. WOODFORD — COMMISSIONER
R. H. BAGGS — EXECUTIVE DIRECTOR
MAX BURSEY — EXECUTIVE DIRECTOR CLAIMS SERVICES

THE HONOURABLE JEROME W. DINN, M.H.A.,
MINISTER OF LABOUR AND MANPOWER.

Honourable Sir:

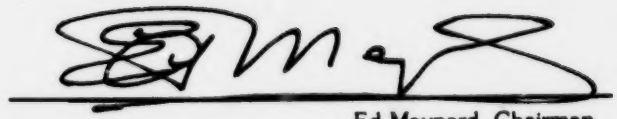
The Workers' Compensation Commission is pleased to present its Annual Report for the year 1983.

The purpose of the Workers' Compensation Act, which came into effect April 1, 1951, is to provide recompense to the worker for wage loss due to disability from personal injury by accident arising out of employment, without recourse to litigation. It ensures promptness and certainty of payment to the worker or dependents without unduly burdening the employer.

It extends the worker's protection to all accidents arising out of and in the course of employment instead of merely those caused by the negligence of the employer; it places the adjudication of claims in the hands of The Workers' Compensation Board instead of the courts: and in the industries to which it applies it makes the employer's liability collective instead of individual.

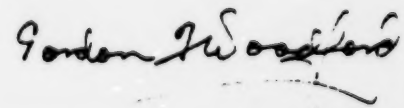
We trust that the information contained in this report regarding the work of the Board throughout 1983 is satisfactory.

Respectfully submitted,



Ed Maynard, Chairman.

A. G. Rose, Commissioner.



G. F. Woodford, Commissioner.

GENERAL

The Board continued its organizational restructuring in 1983 with most of the emphasis being placed on the Data Processing Department. In addition to office restructuring a new IBM System 38 computer was installed to replace the Nixdorf computer. The Board's computer program, when fully implemented, will provide a total inhouse operation and will take away any dependency on the Newfoundland and Labrador Computer Services.

During 1983 the Board was heavily involved in negotiations relating to claims filed by dependents of workers who died in the Ocean Ranger tragedy of February 1982. By late fall a committee of lawyers representing the dependents and lawyers for the companies had reached a settlement offer. Subsequently the Board, after hard negotiations, became a party to some thirty-five releases involving claims that had been processed for compensation benefits. The deal reached principally provided out of court settlements to the beneficaries with the Board forgiving the payback of any benefits due up to November 30, 1983. At the same time the claimants waived any rights to future benefits beyond December 1, 1983, which meant an estimated saving to the Board that could run as high as 4 to 5 million dollars.

The Workers' Compensation Act, 1983, which had been passed into law by the year end, was the culmination of nearly three years of study and work commencing with the Review Committee on Workers' Compensation, which reported to the Government in late 1981. Practically all the work in compiling the new Act was done by officials of the Board with the expert guidance and assistance of a senior draftsperson from the provincial legislative drafting office. The new act which is effective from January 1, 1984, provides a true wage lost system of Workers' Compensation and puts the emphasis on the rehabilitation of the injured worker. It is certainly one of the broadest and most comprehensive workers compensation statues in Canada and it provides a system of Workers' Compensation that undoubtedly compares favourably with that which can be found in any other jurisdiction in the world.

CLAIMS DEPARTMENT

The Claims Department is responsible for processing all claims reported to the Board. This involves obtaining the necessary information, adjudicating and processing for payment of compensation benefits. Compensation benefits include payments of temporary total disability, temporary partial disability, permanent disability, survivor benefits and medical aid costs.

There were 15,115 claims submitted for accidents occuring in 1983. This was slightly less than the number reported for 1982. Of the total claims submitted, 7,982 were for lost time accidents. Total benefits paid in 1983 amounted to $25,453,648.09. This was comprised of both current and prior years claims costs of $13,749,913.75 in temporary wage loss benefits, $5,403,341.49 in medical costs, and $6,300,392.85 for permanent disability and survivor benefits.

At the end of 1983, there were close to 800 claimants receiving fortnightly compensation benefits. While this has not increased significantly over 1982 it continues to be a very serious concern. Steps have been taken to reduce the long periods of waiting to have injured workers admitted to hospital and earlier medical consultations are being sought. In addition, adjudication procedures have been put in place to ensure that claimants are not being continued on wage loss disability benefits unless there is genuine entitlement.

Concerning claims received resulting from the Ocean Ranger tragedy of February 14, 1982, these, for the most part, were finalized in 1983 by negotiations among the parties concerned.

There are four investigators employed with the Investigation Branch of the Claims Department. Two of the investigators are assigned in the Eastern Region of the province; one covers the Central Newfoundland Region, operating out of the Grand Falls office; and another investigator operates out of the Corner Brook office and is assigned to the Western Region of the province.

In 1983, the Investigation Branch were required to investigate 387 claims referred to them for specific reasons. In addition to these assignments, they were also required to monitor many of the continuing claim cases for which fortnightly payments were being issued.

Over the past year our staff participated in many training seminars and development programs. Also, sectional meetings were conducted on a weekly basis to improve work standards. These are considered important matters in order to provide prompt and efficient service to injured workers by our employees.

Effective January 1, 1983, benefits were increased as follows:

1) An increase in the burial allowance from $1,000.00 to $1,120.00 plus a further sum for necessary extra expenses entailed relating to transportation of the body of the worker.
2) An increase in the widow's monthly allowance from $410.00 to $459.20 (this relates only to deaths resulting from accidents occurring on or before December 31, 1982).
3) An increase in the dependent children's monthly allowance from $100.00 to $112.00.
4) An increase in the maximum weekly compensation payable from $302.88 to $656.25.
5) An increase in the minimum weekly payment for temporary total disability from $122.40 to $137.09 per week (or earnings, if less).
6) An increase in the minimum monthly payment for permanent total disability from $530.40 to $594.05.
7) An overall increase of 12% in the amount of compensation being paid a worker in respect of an accident that occurred before January 1, 1982.
8) Increases in the benefits payable to the surviving spouse (for accidents occurring on or after January 1, 1983) as follows: (a) the maximum lump sum increased to $85,312.50, and (b) the maximum monthly pension increased to $2,132.81.

The ceiling for calculation of benefits on lost time accidents was increased in 1983 from $21,000.00 to $45,500.00. This increase provided for better than ninety-five per cent of workers who are covered under the Act to receive

seventy-five per cent of their actual wage loss should they become disabled from work due to a work related injury or condition.

REHABILITATION DEPARTMENT

The Rehabilitation Department Counselling Staff were successful in resolving 57% of the department caseload in 1983, although the economic conditions continue to place greater challenge on both workers and counsellors in obtaining employment opportunities.

Although industrial accidents have remained constant over the past five years, the number of referrals for Rehabilitation Services have increased from 564 in 1979 to 1,232 in 1983.

The following chart shows Rehabilitation Department caseload figures for the years 1979 to 1983.

REHABILITATION DEPARTMENT CASELOAD MANAGEMENT 1979 - 1983

	1979	1980	1981	1982	1983
Counsellors	3	3	5	5	5
Returned to Employment	154 (27%)	183 (27%)	164 (20%)	248 (25%)	399 (31%)
In Training	29	37	99	121	108
Programmed	79	95	126	139	200
	(46%)	(46%)	(49%)	(52%)	(57%)
Not Contacted	72	91	48	85	112
Under Medical	148	178	240	267	354
Refused Services	29	36	21	20	14
Unsuccessful	16	24	26	13	23
Non-Vocational Matter	37	34	67	78	22
TOTAL CASELOAD	564	678	791	971	1,232

MEDICAL DEPARTMENT

The Medical Department was extremely busy in 1983 as evidenced by the volume of claims reviewed and the number of claimants seen.

A new program was introduced through the Miller Centre for assessment of long-term or complicated claims by a team of medical specialists. This involved referral by one of the Board's medical officers followed by a two-week admission to the Miller Centre, review by medical and paramedical specialists and a final assessment meeting. This program accommodated fifty-six claimants and it is felt that this has been very beneficial in most cases, especially when the diagnosis is in question or in helping determine the persons work capacity. In 1984, it is hoped that a detailed study will be done to determine the long-term effectiveness of this program.

The phone dictation system which was set up last year was used quite extensively by many of the medical specialists, particularly the orthopaedic surgeons and neurosurgeons. It is felt that this has made a big difference in the amount of time it takes to get reports.

The eight priority use beds at the Health Sciences Centre were kept full for the entire year. The admission list has been at an acceptable number with most procedures done within a few months of being put on the list.

In 1983, the Board produced a Medical Fee Schedule for the third year in a row.

In 1984, there will undoubtedly be an increase in the medical department staff with the addition of a full-time Chief Medical Officer. The department will continue in its advisory function to the Board.

DATA PROCESSING DEPARTMENT

The Data Processing Department is responsible for the computerized information processing requirements of the various departments within the Board and the Occupational Health & Safety Division of the Department of Labour and Manpower. Presently about 80% of all processing is performed by the government service bureau, Newfoundland and Labrador Computer Services. The remaining 20% is performed on the inhouse minicomputer, a Nixdorf 600/45.

In January of 1983 a senior systems analyst was contracted from Newfoundland and Labrador Computer Services to aid with the evaluation and selection of a new minicomputer for the Board and to assist in the design of a new computer system. Proposals were received from seven computer vendors to be evaluated. A computer equipment short list was determined eliminating five of the vendors, leaving two in contention for further evaluation which resulted in the selection of an IBM System/38.

In 1983, considerable enhancements were made to the availability of information contained within the claimants data files. These enhancements resulted in a more expedient method of accessing claimants information via computer terminals. A new claims tracking system was developed and put into production to monitor the movement of claimants files within the Board.

During the year a number of staff and office changes took place. Two permanent data entry operator positions were posted and filled by two temporary staff members. In house systems development and program maintenance on the Nixdorf computer was performed by a contracted Programmer/Analyst from Beothuck Data Systems. This contract remained into effect until late November. Analytical support was provided to the Board on a contractual basis by the Information Systems Group. In October, the Analyst was transferred from the Claims Department to the Data Processing Department to work on new systems development. In December, a Programmer/Analyst was hired on

a permanent basis. The Programmer/Analyst is responsible for the supervision of inhouse program development and maintenance on the IBM System/38.

The Data Processing Department has also undergone the change from a conventional office concept to a more practical open office system. Included in these renovations was the design of a computer room to facilitate the new IBM computer.

Throughout the year, the following computer courses were provided to the Board's staff:

(1) A Basic Computer Concepts course was prepared by Newfoundland and Labrador Computer Services and given to all staff members of the Board.
(2) IBM conducted a two day seminar for senior management relating to the system features of the IBM System/38.
(3) Computer courses pertaining to the concept of "Online Systems" and "Data Base Systems" were also provided.

The introduction of Word Processing to the Data Processing Department proved to be quite an asset to the Board. Three different types of Word Processing equipment were tested. This equipment increased the typing productivity within the departments to the extent that a decision was made to conduct a Word Processing study. The result of this study is to select one type of Word Processing equipment that can meet the overall typing requirements of the Board. The study is expected to be completed in early 1984 and a selection made shortly thereafter.

In September Harris Data Products, a company operating in the United States, was requested to provide the Board with three financial packages to be evaluated by the Financial Services Department. The packages evaluated were (1) General Ledger, (2) Accounts Payable and (3) Accounts Receivable. Both the General Ledger and Accounts Payable packages were selected and are now scheduled to be put into production in January of 1984.

FINANCIAL SERVICES DEPARTMENT

The Financial Services Department is responsible for all accounting functions, the registration and assessment of employers and for the management of the Board's funds.

Industry is divided into seven classifications and for assessment purposes those classifications are segregated into groups. Separate accounting of the accident costs and amount of assessments is maintained for each employer within a group. The assessment rate for a particular group is determined by the accident costs in that group. Each employer in the group is charged an assessment rate per $100 of his assessable payroll. The maximum assessable payroll for 1983 per employee was $45,500. All employers are required to submit Payroll Statements by February 28th of each year, indicating the actual payroll for the previous year and an estimate of the payroll for the ensuing year. These assessments provide an accident fund from which compensation, medical aid, rehabilitation, administration and occupational health and safety costs are paid.

The Board has also established reserves for the future costs of existing claims; reserves for the statutory increases in pension payments to widows, children, life and limited pensioners; reserves to meet the accident costs for workers suffering enhanced disabilities because of other disabilities previously suffered in the course of their employment; and a disaster reserve which is used to meet the loss arising from any disaster. These reserves are funded by allocating a portion of the yearly assessments and interest earned on the Board's investment portfolio. As at December 31, 1984, the total of these reserves amounted to $68,554,750.

Total revenue amounted to approximately $31,600,000 in 1983, as compared to $27,000,000 in 1982. Administrative costs for 1983 were $2,980,000 (9.4% of revenue) as compared to $2,870,000 (10.6% of revenue) in 1982. Payments on behalf of claimants, transfers to reserves, administrative and occupational health and safety costs were $38,800,000 in 1983, compared to $38,200,000 in 1982.

Following negotiated settlements by dependents of workers who died in the Ocean Ranger Disaster an agreement was worked out with lawyers representing the dependents who had filed claims for workers' compensation benefits. As a result of this agreement $2,300,000 of the $4,300,000, which was originally charged to the Disaster Reserve was credited back in 1983. The agreement provided that the dependents would waive entitlement to all future benefits beyond December 1, 1983, thus the Board realized a saving estimated to be in excess of $5,000,000.

ACCIDENTS REPORTED FOR THE PAST TEN YEARS

Year	Accidents Reported
1983	15,115
1982	15,320
1981	15,949
1980	14,144
1979	15,437
1978	13,122
1977	13,147
1976	13,217
1975	13,350
1974	14,907

PAYROLLS, ASSESSMENTS AND ACCIDENT COSTS

The following figures show these items for the past ten years:

Year	Assessable Payrolls	Assessments	Accident Costs
1983	1,376,892,900*	25,718,949	10,073,517**
1982	1,460,549,600	22,279,253	22,621,491
1981	1,407,328,450	20,978,835	18,634,248
1980	1,171,606,318	14,506,913	12,380,875
1979	1,025,917,857	13,051,676	10,226,170
1978	852,803,032	12,390,592	7,377,588
1977	823,396,138	12,167,687	7,366,386
1976	769,269,148	10,947,824	7,666,010
1975	657,032,738	9,813,712	6,372,089
1974	584,724,485	8,722,257	5,977,553

* Based on employers' estimated payroll-subject to adjustment when actual payrolls are received.

** This figure represents pure costs to 31 December only.

Total disbursements and charges were:

Compensation	$ 6,484,126
Medical Aid	1,642,972
Pension Awards	521,272
Rehabilitation	1,372,507
Estimated Liability for Future Costs of Existing Claims	17,318,875
Transfers to Disaster Reserve	1,480,149
Transfers to Enhanced Disabilities Reserve	251,135
Transfers to Recapitalization Reserve	1,225,676
Interest Transferred to Liabilities and Reserves	3,826,497
Occupational Health and Safety	1,417,649
Administration	2,980,284
	$38,833,392

The foregoing is a simplified summary of revenue and expenditure on a calendar year basis. Financial Exhibit 2 in this Report gives a provisional statement of revenue and expenditure for the year 1983 on an experience year basis.

PENSION RESERVE FUND

This fund is operated under the authorization of Section 67 (2) of The Workers' Compensation Act. Pensions payable to disabled workers and to dependents of deceased workers are provided for by setting aside capitalized reserves which, together with interest earned, are sufficient to meet the monthly payments to pensioners.

The amount in this fund as at December 31, 1983, was $42,123,820. This amount represents the Board's liability to the following:

Workers wholly or partially disabled for life	1,095
Widows	447
Children	424
Dependent Mothers	3
Dependent Fathers	1
Other dependents	1

In addition to the foregoing, there are 200 persons who receive monthly pensions for either disability or dependency. These, however, arise out of accidents to employees of self-insurers. In these cases the pension awards are not capitalized and reserves set up, instead, the monthly payments are charged to the employers as they are paid.

INVESTMENT AND INTEREST EARNINGS

The Board invests its reserve funds in securities which, in accordance with Section 41 of The Workers' Compensation Act, are authorized by the Laws of Newfoundland for the investment of trust funds. The book value of the Board's long-term investments as at December 31, 1983, amounted to $48,617,572.00.

Net interest income from all sources during the year amounted to $5,394,821.00. Average Yield on long-term investments was 11.5%.

Distribution was made as follows:

Reserve for Pension Awards	$3,826,497
Credited to Industry (classes)	1,568,324
	$5,394,821

EXPENDITURE DISTRIBUTION

The expenditure for 1983 was distributed as follows:

	1983	1982
For Injured Workers	88.6	86.0
Administration	7.7	7.5
Occupational Health and Safety	3.7	6.5
	100.0	100.0

SUMMARY OF PRESENT BENEFITS

Maximum yearly earnings assessed on	$45,500.00
Maximum yearly earnings compensated on	45,500.00
Rate of compensation	75%
Maximum yearly amount of compensation	34,125.00
Maximum weekly compensation	656.25
Widow's pension-per month — minimum	459.60
Widow's pension-per month — maximum	2,132.81
Widow's special immediate allowance	1,120.00
Widow's re-marriage allowance — 12 monthly payments	
Funeral expenses up to	1,120.00
Where fatality occurs a considerable distance from place of burial-necessary transportation costs	NO LIMIT
Child's pension-per month, up to age 16 or up to age 21 if still attending school	112.00
Dependent's pension (where no widow and children) proportionate to pecuniary loss	
Minimum compensation for permanent total disability per month	594.05
Minimum compensation for temporary total disability is $137.09 per week for average earnings of that amount or more, the actual earnings if less than $137.09 per week.	
Medical aid which includes hospitalization, surgery, drugs, etc., is also provided.	

FINANCIAL EXHIBITS

AUDITOR'S REPORT

EXHIBIT 1 — Balance Sheet

EXHIBIT 2 — Statement of Revenue, Expenditure and Provisional Operating Deficit

EXHIBIT 3 — Statement of Liabilities and Reserves Accounts

EXHIBIT 4 — Statement of Changes in Financial Position

EXHIBIT 5 — Administrative Expenses

EXHIBIT 6 — Statement of Revenue, Expenditure and Provisional Operating Deficit by Classes

EXHIBIT 7 — Notes to Financial Statements

AUDITORS' REPORT

TO THE CLERK OF THE EXECUTIVE COUNCIL

We have examined the balance sheet of The Workers' Compensation Board of Newfoundland and Labrador as at December 31, 1983, and the statements of revenue, expenditure and provisional operating deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at December 31, 1983, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Chartered Accountants.

St. John's, Newfoundland
March 14, 1984

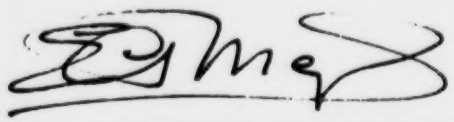
EXHIBIT 1
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
BALANCE SHEET
DECEMBER 31, 1983

ASSETS

	1983	1982
Current		
Cash		$ 154,248
Temporary investments, at cost	$ 1,200,000	300,000
Receivables		
Assessments (less allowance for doubtful accounts $812,663; 1982 - $928,522)	4,242,456	3,817,378
Interest	972,715	974,009
Self-Insurers	240,850	75,353
Other	5,538	11,491
	6,661,559	5,332,479
Long term asessments receivable, less current portion		317,020
Investments, at book value (Note 2)	48,617,572	48,308,255
Land, building, furniture and equipment (Note 3)	4,465,463	3,985,192
	$59,744,594	$57,942,946

Contingent matter (Note 4)

ON BEHALF OF THE BOARD



Chairman

LIABILITIES

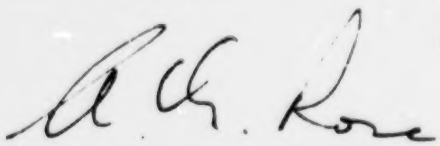
	1983	1982
Current		
Bank indebtedness	$ 919,099	
Payables and accruals		
Suppliers	108,714	$ 116,377
Occupational Health and Safety	677,966	386,394
Due to employers	470,471	280,718
	2,176,250	783,489
Estimated liability for future costs of existing claims	17,830,286	14,812,380
Liability for pension awards	42,123,820	38,719,474
	62,130,356	54,315,343

RESERVES

Disaster	4,022,359	2,303,563
Enhanced disabilities	536,059	411,906
Recapitalization	4,042,226	6,244,833
	8,600,644	8,960,302

DEFICIT

Provisional operating deficit	(10,986,406)	(5,332,699)
	$59,744,594	$57,942,946



Commissioner

EXHIBIT 2
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF REVENUE, EXPENDITURE AND PROVISIONAL OPERATING DEFICIT
YEAR ENDED DECEMBER 31, 1983

	1983 Transactions	Prior Years' Transactions	Totals 1983	Totals 1982
Revenue				
Assessments	$ 25,468,949	$ 739,719	$ 26,208,668	$ 21,539,534
Self-insurers	571,063	1,005,133	1,576,196	1,194,944
Interest on investments (includes $1,568,324, allocated to classes; 1982 - $1,703,054)	5,394,821		5,394,821	5,368,429
	31,434,833	1,744,852	33,179,685	28,102,907
Expenditure				
Claims and pension awards				
Compensation	6,532,414	8,509,490	15,041,904	13,712,459
Medical aid	1,647,324	4,184,294	5,831,618	4,275,227
Pension awards	521,272	5,188,717	5,709,989	8,388,010
Rehabilitation	1,372,507		1,372,507	815,355
	10,073,517	17,882,501	27,956,018	27,191,051
Less: Portion charged to				
Reserves	52,639	3,293,978	3,346,617	6,945,270
Estimated liability for future costs of existing claims		13,583,390	13,583,390	11,270,036
	10,020,878	1,005,133	11,026,011	8,975,745
Transfers to				
Estimated liability for future costs of existing claims	9,039,345	7,556,646	16,595,991	13,370,180
Disaster reserve	1,546,805	(66,656)	1,480,149	4,256,266
Enhanced disabilities reserve	257,801	(6,666)	251,135	425,626
Recapitalization reserve	1,289,004	(33,328)	1,255,676	2,158,348
Interest transferred to liabilities and reserves	3,826,497		3,826,497	3,665,375
Occupational Health and Safety	1,417,649		1,417,649	2,485,655
Administrative	2,980,284		2,980,284	2,873,907
	30,378,263	8,455,129	38,833,392	38,211,102
Excess of expenditure over revenue	$ 1,056,570	$ (6,710,277)	$ (5,653,707)	(10,108,195)
Provisional operating reserve (deficit), beginning of year			(5,332,699)	4,775,496
Provisional operating (deficit), end of year			$(10,986,406)	$ (5,332,699)

EXHIBIT 3
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF LIABILITIES AND RESERVE ACCOUNTS
YEAR ENDED DECEMBER 31, 1983

	Estimated Liability for Future Costs of Existing Claims	Liability for Pension Awards	Disaster Reserve	Enhanced Disabilities Reserve	Recapitalization Reserve
Balance, beginning of year	$ 14,812,380	$ 38,719,474	$ 2,303,563	$ 411,906	$ 6,244,833
Deductions:					
Benefits paid or charged with respect to claims	13,578,085	9,124,209	2,855,215	133,648	3,491,611
	1,234,295	29,595,265	(551,652)	278,258	2,753,222
Additions:					
Transfers	16,595,991	8,702,058	4,574,011	257,801	1,289,004
Interest earnings		3,826,497			
Balance, end of year	$ 17,830,286	$ 42,123,820	$ 4,022,359	$ 536,059	$ 4,042,226

EXHIBIT 4
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1983

	1983	1982
Working capital derived from		
Decrease in long term receivable	$ 317,020	
Sale and maturity of investments	13,911,835	$ 6,997,725
Increase in liabilities and reserves	36,250,494	32,654,989
	50,479,349	39,652,714
Working capital applied to		
Operations		
Excess of expenditure over revenue	5,653,707	10,108,195
Depreciation of		
Building	(105,106)	(102,752)
Furniture and equipment	(38,020)	(31,797)
Amortization of premiums on investments	(61,400)	(39,139)
	5,449,181	9,934,507
Increase in long term receivable		317,020
Purchase of		
Investments	14,282,553	8,139,418
Building	94,123	169,744
Furniture and equipment	529,274	254,674
Benefits paid or charged with respect to claims	30,187,899	24,050,627
	50,543,030	42,865,990
Decrease in working capital	(63,681)	(3,213,276)
Working capital, beginning of year	4,548,990	7,762,266
Working capital, end of year	$ 4,485,309	$ 4,548,990

EXHIBIT 5
THE WORKERS' COMPENSATION BOARD
OF NEWFOUNDLAND AND LABRADOR
ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 1983

	1983	1982
Salaries and benefits - Board and staff	$ 2,233,752	$ 1,977,491
Telephone, postage and general office	284,183	220,590
Computer services	250,662	353,388
Building operations and maintenance	191,919	191,395
Professional services	162,048	134,461
Depreciation	143,125	134,550
Travelling - Board and staff	97,065	99,432
Printing and supplies	91,241	94,653
Equipment	48,853	72,146
Vehicle operating	40,878	36,111
Miscellaneous	17,731	28,908
Review committee		300
	3,561,457	3,343,425
Deduct:		
Rental income	283,919	275,193
	3,277,538	3,068,232
Administration expenses charged to self-insurers as follows:		
Government of Newfoundland	169,950	54,165
Government of Canada	54,655	63,113
Canadian National Marine	35,971	34,220
Terra Transport (CNR)	31,019	37,446
Memorial University of Newfoundland	4,007	2,268
Quebec North Shore and Labrador Railway	1,652	3,113
	297,254	194,325
	$ 2,980,284	$ 2,873,907

EXHIBIT 6
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF REVENUE, EXPENDITURE AND PROVISIONAL OPERATING RESERVE (DEFICIT) BY CLASSES
YEAR ENDED DECEMBER 31, 1983

	1983 Totals	Class 1 Mining	Class 2 Forest Products	Class 3 Manufac-turing	Class 4 Construction	Class 5 Transpor-tation	Class 6 Distribution and Service	Class 7 Fishing	Class 9 Self-Insurers	Transferred to Liabilities and Reserves
Revenue										
Assessments	$ 26,208,668	$ 2,425,134	$ 1,828,864	$ 2,927,553	$ 5,085,794	$ 1,864,554	$ 6,493,824	$ 5,582,945		
Self-insurers	1,576,196								$ 1,576,196	
Interest on investments										
Allocated to classes	1,568,324	179,898	112,323	192,360	303,255	130,666	445,849	203,973		
Transfers to liabilities and reserves	3,826,497									$ 3,826,497
	33,179,685	2,605,032	1,941,187	3,119,913	5,389,049	1,995,220	6,939,673	5,786,918	1,576,196	3,826,497
Expenditures										
Claims and pension awards	11,026,011	753,680	469,566	1,223,224	2,122,648	428,670	1,883,018	2,569,009	1,576,196	
Transfers to										
Estimated liability for future costs of existing claims	16,595,991	2,061,785	1,161,687	1,964,430	4,235,708	927,525	3,469,894	2,774,962		
Disaster reserve	1,480,149	40,041	109,105	172,622	343,553	88,707	410,669	315,452		
Enhanced disabilities reserve	251,135	14,160	17,875	28,657	53,134	16,599	65,749	54,961		
Recapitalization reserve	1,255,676	70,802	89,375	143,286	265,670	82,995	328,743	274,805		
Interest transferred to liabilities and reserves	3,826,497									3,826,497
Occupational Health and Safety	1,417,649	127,264	99,315	162,756	356,592	75,272	281,503	314,947		
Administrative	2,980,284	267,544	208,786	342,157	749,654	158,243	591,795	662,105		
	38,833,392	3,335,276	2,155,709	4,037,132	8,126,959	1,778,011	7,031,371	6,966,241	1,576,196	3,826,497
Excess of expenditure over revenue	(5,653,707)	(730,244)	(214,522)	(917,219)	(2,737,910)	217,209	(91,698)	(1,179,323)	—	—
Provisional operating reserve (deficit), beginning of year	(5,332,699)	(188,919)	1,160,419	(672,338)	(1,323,710)	375,414	(1,781,130)	(2,902,435)		
Provisional operating reserve (deficit), end of year	$(10,986,406)	$ (919,163)	$ 945,897	$(1,589,557)	$ (4,061,620)	$ 592,623	$ (1,872,828)	$(4,081,758)	—	—

EXHIBIT 7
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1983

1. Acounting policies

Assessments receivable

i) No provision has been made in the financial statements to provide for revisions in 1983 assessments based on actual payroll returns filed by employers.
ii) Write-offs of uncollectable assessment balances are charged against assessment revenues.

Investments

i) A gain or loss on an exchange of investments is deducted or added to the cost of a new investment and amortized to its maturity or call date.
ii) Investment income

Interest earnings are allocated on the basis of 9.5% to the liability for pension awards and the balance prorated to the classes.

Capital expenditures and depreciation

Cost of office machines and other equipment are charged to expense in the year of acquisition. Capital items acquired in excess of normal requirements are amortized on a straight-line basis over the anticipated useful life of the assets and in this category are:

	Annual Rate
Building	2½%
Furniture and equipment	10%; 20%

Estimated liability of future costs of existing claims

This liability represents the estimated amount required to meet all future costs in respect of 1983 and prior years' accident claims.

The current year's liability is based on 100% of 1983 compensation costs, 150% of 1983 medical aid costs and 125% of 1983 pension awards. The prior years' liability is based on 13% of the total compensation, medical aid and pension awards for the previous five years.

Liability for pension awards

The purpose of the liability is to set aside amounts to provide for the future payments on established pensions.

The capitalization of pensions and the resulting calculation of the pension liability is determined on an actuarial basis, revised every three (3) years.

The latest actuarial report was prepared to December 31, 1982.

Transfers to reserves

Transfers to reserves for Disaster, Enhanced Disabilities and Recapitalization are calculated as a percentage of annual assessments revenue as follows:

	1983	1982
Disaster	6%	20%
Enhanced Disabilities	1%	2%
Recapitalization	5%	10%

2. Investments

	Par Value	Book Value
Newfoundland and Labrador Hydro	$ 19,272,000	$ 19,653,184
Province of Newfoundland and Labrador	9,251,000	9,521,600
Newfoundland Light and Power	3,204,000	3,356,050
Government of Canada	2,920,000	2,980,805
Ontario Hydro	2,525,000	2,673,358
Newfoundland Telephone	2,172,750	2,159,162
City of St. John's	1,943,000	1,945,821
Central Trust	1,000,000	1,000,000
Westcoast Transmission	725,000	733,014
Province of Prince Edward Island	700,000	693,283
Transalberta Utilities Corporation	685,000	863,665
Nova Scotia Municipal Financing Corporation	500,000	505,669
New Brunswick Electric Corporation	460,000	475,118
Other	2,112,000	2,056,843
	$ 47,469,750	$ 48,617,572

The approximate fair market value of the investment as at December 31, 1983 amounted to $40,940,181.

EXHIBIT 7 (CONT'D)
THE WORKERS' COMPENSATION BOARD OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1983

3. Land, building, furniture and equipment

	1983			1982
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 10,830		$ 10,830	$ 10,830
Building	4,204,220	$ 502,609	3,701,611	3,712,594
Furniture and equipment	847,249	94,227	753,022	261,768
	$ 5,062,299	$ 596,836	$ 4,465,463	$ 3,985,192

4. Contingent matter

Included in assessments receivable are accounts aggregating approximately $1,700,000.00 from two companies engaged in the fishing industry and presently in receivership. At the present time a restructuring, with a view to restoring the financial stability of these companies, is being undertaken by the Governments of Canada and Newfoundland and the financial institutions concerned.

No allowance has been recorded in the financial statements for any losses relating to these balances as it is the understanding of the Board that all amounts will be recoverable on completion of the restructuring arrangements.

5. Subsequent event

On January 1, 1984, the Workers' Compenation Act, 1983 came into effect which will have an impact on the future operations of the Board. Major changes implemented in the revised Act include the following:

i) universal coverage of all employers;
ii) change in the calculation of compensable earnings in determining compensation for loss of earning capacity; and
iii) change in the name of the Board to the Workers' Compensation Commission.

TABLE 1
COMPENSABLE CASES — 1983
BY CLASS AND NATURE OF INJURY

Class	Amputations	Asphyxia	Burns	Concussions	Contusions	Open Wounds	Dislocations	Contact with Electric Current	Fractures	Hernias	Abrasions	Sprains	Multiple Injuries	Miscellaneous	Occupational Illness	Totals
1	5		9	1	57	13			35	4	10	85	26	30	16	291
2	3		3		46	65	1	1	17		8	63	10	18	3	238
3	3	1	26	1	169	117	3		54		72	315	33	29	44	867
4	10		25	3	246	140	6	2	130	3	70	498	58	76	11	1278
5	2		4		68	13			30	1	5	106	16	12	3	260
6	6	1	55	3	228	176	4	1	60	4	25	836	50	68	15	1532
7	16	4	19	2	512	847	7	2	73	4	59	740	58	103	64	2510
Sub Totals	45	6	141	10	1326	1371	21	6	399	16	249	2643	251	336	156	6976
9	3	2	18	2	204	70	6	1	64	1	31	500	47	46	11	1006
TOTAL	48	8	159	12	1530	1441	27	7	463	17	280	3143	298	382	167	7982

Legend:
Class 1 - Mining
Class 2 - Forest Products
Class 3 -Manufacturing
Class 4 - Construction
Class 5 - Transportation
Class 6 - Sale, distribution and service
Class 7 - Fishing
Class 9 - Self-Insurers

TABLE 2
COMPENSABLE CASES — 1983
BY CLASS & PART OF BODY

Class	Eyes	Head and Neck	Back and Spine	Chest	Other Trunk	Hands and Fingers	Other Upper Extremities	Feet and Toes	Other Lower Extremities	Multiple Internal Injuries	Body System	Miscellaneous	Totals
1	17	16	70	4	19	50	13	22	38	27	5	10	291
2	9	14	55	6	12	34	15	16	61	9		7	238
3	94	25	196	19	42	212	76	39	104	48	4	8	867
4	81	46	345	35	87	186	83	104	210	81	2	18	1278
5	7	6	79	3	17	35	15	16	51	27	1	3	260
6	26	67	607	22	92	275	102	88	156	77	7	13	1532
7	50	54	421	53	134	1139	295	101	161	77	15	10	2510
Sub Total	284	228	1173	142	403	1931	599	386	781	346	34	69	6976
9	38	44	321	35	75	117	82	54	163	59	4	14	1006
TOTAL	322	272	2094	177	478	2048	681	440	944	405	38	83	7982

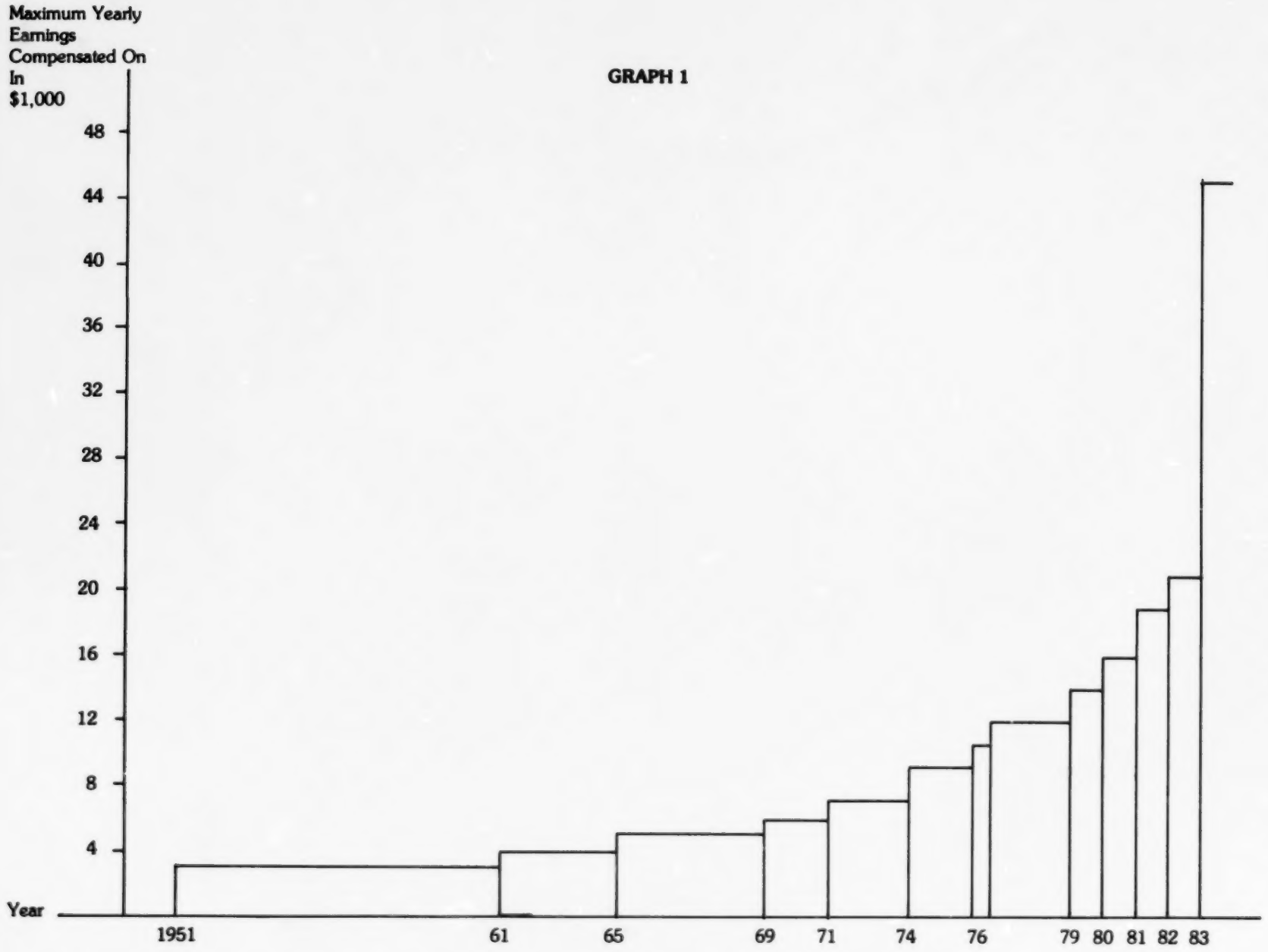
Legend:
Class 1 - Mining
Class 2 - Forest Products
Class 3 - Manufacturing
Class 4 - Construction
Class 5 - Transportation
Class 6 - Sale, distribution and service
Class 7 - Fishing
Class 9 - Self-Insurers

TABLE 3
COMPENSABLE CASES — 1983
BY CLASS AND TYPE OF ACCIDENT

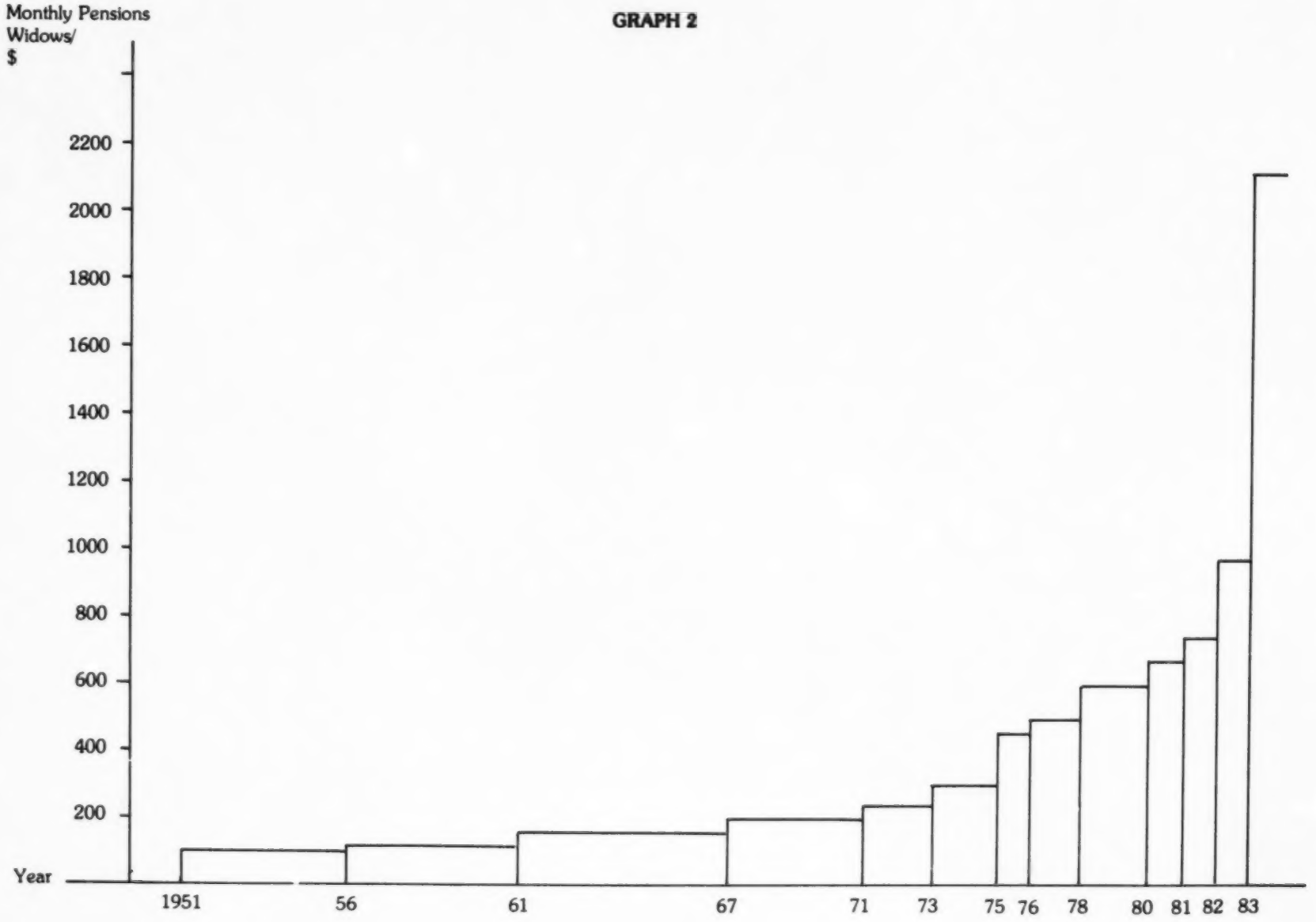
Class	Striking Against	Struck By	Caught In, on or between	Collisions, Derailments and Wrecks	Falls - Same Level	Falls - Different Levels	Inhalation — Temperature Extremes and Explosions	Body Reaction and Over-exertion	Contact with Electric Current	Miscellaneous Accident Types	Totals
1	22	61	25	4	35	25	19	63	2	35	291
2	10	104	14	2	39	6	5	37	1	20	238
3	62	258	52	7	80	62	64	248	2	32	867
4	77	377	43	11	169	121	27	370	8	75	1278
5	13	58	22	9	37	20	4	81		15	260
6	94	240	33	16	196	95	62	694	1	101	1532
7	208	1002	149	3	313	74	62	584	1	114	2510
Sub-Total	486	2100	338	52	869	403	243	2077	15	393	6976
9	69	171	34	23	162	76	27	383	2	59	1006
TOTAL	555	2271	372	75	1031	479	270	2460	17	452	7982

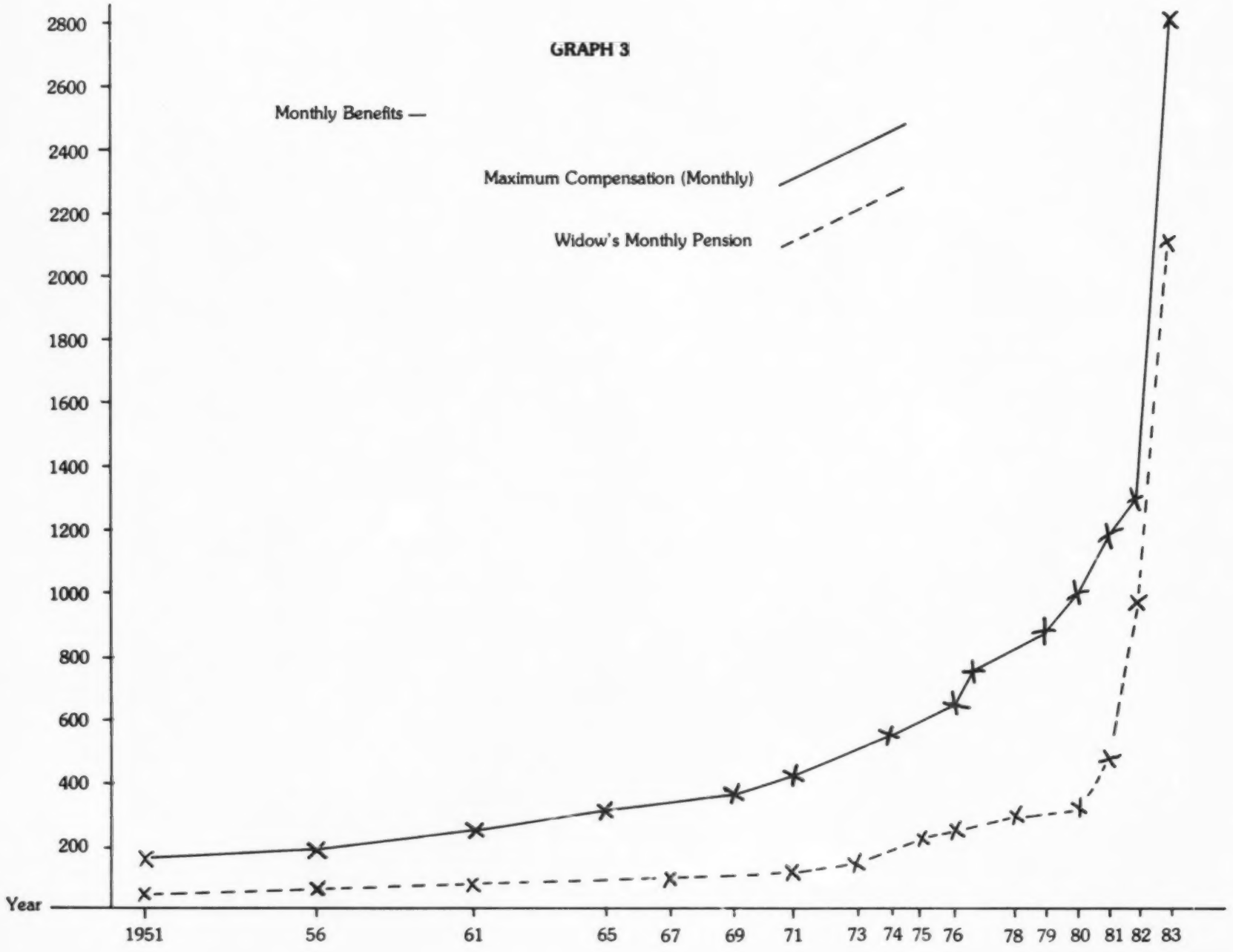
Legend:
Class 1 - Mining
Class 2 - Forest Products
Class 3 - Manufacturing
Class 4 - Construction
Class 5 - Transportation
Class 6 - Sale, distribution and service
Class 7 - Fishing
Class 9 - Self-Insurers

GRAPH 1


Maximum Yearly Earnings Compensated On In $1,000
48
44
40
36
32
28
24
20
16
12
8
4
Year
1951
61
65
69
71
74
76
79
80
81
82
83

GRAPH 2


Monthly Pensions
Widows/
$
2200
2000
1800
1600
1400
1200
1000
800
600
400
200
Year
1951
56
61
67
71
73
75
76
78
80
81
82
83


GRAPH 3
Monthly Benefits —
Maximum Compensation (Monthly)
Widow's Monthly Pension
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800
600
400
200
Year
1951
56
61
65
67
69
71
73
74
75
76
78
79
80
81
82
83